

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
W. R. GRACE & CO., et al.,¹)
Debtors.) Case No. 01-01139 (JKF)
) (Jointly Administered)
)
) **Objection Deadline:** August 31, 2005,
at 4:00 p.m. (prevailing eastern time)

**SUMMARY APPLICATION OF LATHAM & WATKINS LLP FOR COMPENSATION
FOR SERVICES AND REIMBURSEMENT OF EXPENSES AS SPECIAL
ENVIRONMENTAL COUNSEL TO W. R. GRACE & CO., ET AL., FOR THE
SEVENTEENTH MONTHLY INTERIM PERIOD FROM APRIL 1, 2005, THROUGH
JUNE 30, 2005**

Name of Applicant: **Latham & Watkins LLP ("L&W")**

Authorized to Provide Professional Services to: **W. R. Grace & Co., et al., Debtors and
Debtors-in Possession**

Date of Retention: Retention Order entered June 16, 2004,
effective nunc pro tunc from April 1, 2001.

Period for which compensation and reimbursement is sought: April 1, 2005 through June 30, 2005

Amount of Compensation sought as actual,
reasonable and necessary: \$52,528.00

Amount of Expense Reimbursement sought
as actual, reasonable and necessary: **\$1,882.24**

This is a(n) monthly, X interim, final application.

¹ The debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester new Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Koontenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cumming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

The total time expended for the preparation of this application is approximately 3 hours, and the corresponding estimated compensation *that will be requested in a future application* is approximately \$1,200.00.

This is the first application for interim compensation of services for the April - June 2005 quarter that the Debtors have filed with the Bankruptcy Court in the Chapter 11 Cases. The following applications have been filed previously in the Chapter 11 Cases:

| Date Filed | Period Covered | Requested Fees | Requested Expenses | Approved Fees | Approved Expenses |
|-------------------------------|---|----------------|--------------------|-------------------|-----------------------|
| On or about August 9, 2004 | December 2003 – June 2004 | \$211,719.00 | \$6,927.50 | All fees approved | \$6,897.50 approved |
| On or about August 25, 2004 | July 1, 2004 – July 31, 2004 | \$11,334.50 | \$201.32 | All fees approved | All expenses approved |
| On or about October 25, 2004 | August 1, 2004 – August 31, 2004 and September 1, 2004 – September 30, 2004 | \$81,729.50 | \$5,199.44 | All fees approved | All expenses approved |
| On or about November 25, 2004 | October 1, 2004 – October 30, 2004 | \$45,050.00 | \$1,825.59 | Awaiting approval | Awaiting approval |
| On or about December 25, 2004 | November 1, 2004 – November 30, 2004 | \$31,913.50 | \$1,509.91 | Awaiting approval | Awaiting approval |
| On or about January 25, 2005 | December 1, 2004 – December 31, 2004 | \$26,177.50 | \$1,282.35 | Awaiting approval | Awaiting approval |
| On or about February 4, 2005 | July 1, 2004 – September 30, 2004 | \$93,064.00 | \$5,400.76 | All fees approved | All expenses approved |
| On or about February 23, 2005 | January 1, 2005 – January 31, 2005 | \$23,485.50 | \$314.93 | Awaiting approval | Awaiting approval |
| On or about May 19, 2005 | October 1, 2004 – December 31, 2004 | \$103,141.00 | \$4,617.85 | Awaiting approval | Awaiting approval |
| On or about May 23, 2005 | March 1, 2005 – March 31, 2005 | \$39,952.00 | \$160.88 | Awaiting approval | Awaiting approval |
| On or about May 24, 2005 | January 1, 2005 – March 31, 2005 | \$85,502.50 | \$1,103.82 | Awaiting approval | Awaiting approval |
| On or about May 26, 2005 | April 1, 2005 – April 30, 2005 | \$33,385.50 | \$593.50 | Awaiting approval | Awaiting approval |
| On or about July 8, 2005 | May 1, 2005 – May 31, 2005 | \$15,799.50 | \$956.63 | Awaiting approval | Awaiting approval |

The hearing for the Quarterly Applications for the interim period January 1, 2005 through March 31, 2005 is scheduled for September 26, 2005.

The L&W attorneys who rendered professional services in these cases during the Fee Period are:

| Name of Attorney | Position with the Applicant | Number of Years as an Attorney | Department | Hourly Billing Rate | Total Billed Hours | Total Compensation |
|----------------------------|-----------------------------|--------------------------------|---------------|---------------------|--------------------|--------------------|
| John McGahren | Partner | 15 | Environmental | 510.00 | 36.20 | \$18,462.00 |
| Laurie D. Matthews | Contract Associate | 10 | Environmental | 485.00 | 50.40 | \$24,444.00 |
| Jeffrey P. LeJava | Associate | 7 | Environmental | 415.00 | 2.90 | \$1,203.50 |
| Daniel F. Mulvihill | Associate | 4 | Environmental | 355.00 | 5.10 | \$1,810.50 |
| Kellie Ortega | Associate | 2 | Environmental | 295.00 | 11.10 | \$3,274.50 |
| Heather Foran | Associate | 2 | Environmental | 295.00 | .80 | \$236.00 |
| Total for Attorneys | | | | 106.50 | | \$49,430.50 |

The L&W legal assistants who rendered professional services in these cases during the Fee Period is:

| Name of Legal Assistant | Position with the Applicant | Department | Hourly Billing Rate | Total Billed Hours | Total Compensation |
|-----------------------------------|-----------------------------|---------------|---------------------|--------------------|--------------------|
| Manny J. Alvelo | Project Assistant | Environmental | 105.00 | 29.50 | \$3,097.50 |
| Total for Legal Assistants | | | | 29.50 | \$3,097.50 |

Compensation by Matter

| Matter Number | Matter | Total Hours | Total Fees Requested |
|---------------|---------------------------------|---------------|----------------------|
| 029016-0001 | Hatco Remediation | 92.50 | \$44,952.50 |
| 029016-0003 | Special Counsel Fee Application | 43.50 | \$7,575.50 |
| | Total | 136.00 | \$52,528.00 |

Expense Summary for Hatco Remediation

| Description | Amount |
|------------------------|------------|
| Photocopying | \$1,023.74 |
| Electronic Research | \$353.17 |
| Federal Express | \$137.21 |
| Telephone | \$83.95 |
| Meals | \$61.19 |
| Mileage | \$40.50 |
| Miscellaneous Services | \$37.50 |
| Ground Transportation | \$9.55 |
| Calling Card | \$6.61 |

| | |
|-------|------------|
| Total | \$1,753.42 |
|-------|------------|

Expense Summary for Special Environmental Counsel Application

| Description | Amount |
|-----------------|-----------------|
| Federal Express | \$76.03 |
| Photocopying | \$45.39 |
| Telephone | \$7.40 |
| Total | \$128.82 |

Project Category Breakdown

| Category | 16 th Quarter | Cumulative through 16 th Quarter |
|--|--------------------------|---|
| Category Code 11 – Fee Applications, Applicant | \$7,575.50 | |
| Category Code 24 – Other | \$44,952.50 | \$649,095.50 |
| PROJECT CATEGORY – TOTAL FEES | \$52,528.00 | \$649,095.50 |
| PROJECT CATEGORY – TOTAL EXPENSES | \$1,882.24 | \$24,550.02 |
| PROJECT CATEGORY – TOTAL FEES AND EXPENSES | \$54,410.24 | \$673,645.52 |
| FEE APPLICATION - TOTAL FEES | \$52,528.00 | \$649,095.50 |
| FEE APPLICATION – TOTAL EXPENSES | \$1,882.24 | \$24,550.02 |
| FEE APPLICATION – TOTAL FEES AND EXPENSES | \$54,410.24 | \$673,645.52 |

WHEREFORE, L&W respectfully requests (a) that an allowance be made to it, as fully described above for (i) the amount of \$52,528.00 for reasonable and necessary professional services L&W has rendered to the Debtors during the Fee Period and (ii) the reimbursement of actual and necessary costs and expenses incurred by L&W during the Fee Period (\$1,882.24); (b) that both fees and expenses are payable as administrative expenses of the Debtors' estates; and

(c) that this Court grant such further relief as is equitable and just.

Newark, New Jersey
Dated: August 9, 2005

Respectfully submitted,

LATHAM & WATKINS LLP



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